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Title: Need for revival of Hindustan Shipyard Limited.

DR. T. SUBBARAMI REDDY (VISAKHAPATNAM): Sir, the Hindustan Shipyard Limited, Visakhapatnam, a pioneer ship-building industry, was making profit up to 1979-80. It started incurring losses from 1980-81 onwards due to the worldwide recession in ship-building industry, unremunerative prices, dumping prices/highly discounted price by the foreign yards, lean order-book position and oversized manpower, etc. The Government of India has given a sum of Rs.148 crore (approximately) from 1984-85 to 1994-95 to meet the wages and salaries of employees. In addition to that, HSL was allowed to draw a cash credit of Rs.69 crore from the State Bank of India during the period 1984-85 to 1992-93 to meet the working capital needs. For the last three years, no budgetary support has been provided to HSL and also no working capital has been provided by SBI or any financial institution.

The present subsidy extended by Government of India will not meet the total cost of the vessel.

I request the Central Government to provide Non-Plan Assistance of Rs.30 crore per annum for the next three to four years till HSL becomes viable, allow rationalisation/down-sizing of manpower and exemption of MAT for HSL, to implement capital restructuring proposal, to provide moratorium and interest holiday for a period of five years, and exemption of sales-tax.

In order to boost up the ship-repair turnover, HSL proposes to construct a new dry dock for which about Rs.180 to 200 crore are required as a Plan assistance.